

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
NEWPORT NEWS DIVISION

UNITED STATES OF AMERICA	)	CRIMINAL NO. 4:01cr
)	
	)	18 U.S.C. §§ 641, 2 (Theft of
	)	Government Property - Count 1)
)	
	)	18 U.S.C. §§ 1343, 2 (Wire Fraud -
	)	Counts 2 - 3)
v.)	
	)	18 U.S.C. §§ 1956(a)(2)(B)(i), 2
	)	(Money Laundering - Counts 4 - 5)
)	
	)	18 U.S.C. § 1001(a)(2)(False
	)	Statement - Count 6)
)	
DALMA S. EDWARDS, a/k/a "Mike Edwards."	)	18 U.S.C. §§ 981, 982 and
	)	28 U.S.C. § 2461(c) (Forfeiture)

INDICTMENT

June 2001 Term – At Norfolk, Virginia

THE GRAND JURY CHARGES THAT:

General Allegations

1. On or about September 26, 2000, defendant DALMA S. EDWARDS, as president, and others formed Air Atlantic Express, USA, Inc., a/k/a Premier Airways, Inc. (hereinafter "Air Atlantic"), as a Virginia corporation.
2. On or about October 30, 2000, the United States Postal Service (hereinafter "Postal Service") contracted with Air Atlantic to provide air service hauling U.S. mail during the upcoming holiday season.
3. On or about November 16, 2000, Air Atlantic, by and through its president, defendant DALMA S. EDWARDS, notified the Postal Service that it was "unable to perform the flights associated" with the contract.

4. On or about November 17, 2000, the Postal Service terminated Air Atlantic's contract before any contractual services of any kind had been performed.

5. On or about January 11, 2001, the Postal Service, while intending to pay another contractor for services rendered, mistakenly issued a check (#0300776082) for \$679,700 payable to Air Atlantic Express USA, Inc., which bank personnel deposited into two Air Atlantic accounts at SunTrust Bank that had zero balances before these deposits were made.

6. The general allegations contained in paragraphs 1-5 above are hereby realleged and incorporated by reference into counts one through six below, as if fully set forth therein.

COUNT ONE

THE GRAND JURY CHARGES THAT:

From on or about January 22, 2001 through in or about May 2001, the exact dates being unknown, in the Eastern District of Virginia and elsewhere, defendant DALMA S. EDWARDS, a/k/a "Mike Edwards," did knowingly and willfully embezzle, steal, purloin, and convert to his use and the use of another any money and thing of value of the United States and the United States Postal Service, an agency of the United States, having a value in excess of \$1,000, namely, \$679,700 mistakenly paid by the Postal Service to the defendant's business, Air Atlantic, by check (#0300776082) dated January 11, 2001.

(In violation of Title 18, United States Code, Sections 641 and 2).

COUNT TWO

THE GRAND JURY FURTHER CHARGES THAT:

1. From in or about January 2001 through in or about May 2001, the exact dates being unknown, in the Eastern District of Virginia and elsewhere, defendant DALMA S. EDWARDS, a/k/a "Mike Edwards," did knowingly devise and intend to devise a scheme and artifice to defraud and to obtain money and property from the Postal Service by means of false and fraudulent material pretenses, representations, and promises, which scheme and artifice operated in substance as follows:

THE DEFENDANT'S SCHEME AND ARTIFICE

2. The object of the scheme and artifice was to steal money the Postal Service mistakenly paid by check to the defendant's business, to which neither the defendant nor his business had any claim or right.

3. As part of the scheme and artifice and to mislead the Postal Service into believing that he was going to repay such money, the defendant made false and fraudulent material statements and representations to Postal Service personnel.

4. As part of the scheme and artifice, the defendant opened new business and personal bank accounts for use in hiding and disposing of the money.

5. As part of the scheme and artifice, the defendant performed numerous financial transactions designed to hide the stolen money.

6. As part of the scheme and artifice, the defendant performed numerous financial transactions designed to convert the stolen money to the use of the defendant and others.

7. As part of the scheme and artifice, the defendant fraudulently used interstate and foreign wire communications to send approximately \$470,000 to bank accounts outside the United States.

8. As part of the scheme and artifice, after having spent significant amounts of the Postal Service's money and having wired most of it outside the country, the defendant then left the United States.

ACTS IN EXECUTION OF THE SCHEME AND ARTIFICE

9. In furtherance of the scheme and artifice and to accomplish its object, defendant DALMA S. EDWARDS committed and caused to be committed the following acts, among others, in the Eastern District of Virginia and elsewhere:

10. On or about January 22, 2001, defendant DALMA S. EDWARDS used the Postal Service's money to purchase three bank checks for approximately \$20,000, including one check for approximately \$10,000 payable to his spouse, and withdrew a total of approximately \$4,500 cash from Air Atlantic's account (#700106847) at SunTrust Bank.

11. On or about January 27, 2001, defendant DALMA S. EDWARDS used the Postal Service's money to withdraw approximately \$12,000 from Air Atlantic's account (#700106847) at SunTrust Bank.

12. On or about January 27, 2001, defendant DALMA S. EDWARDS used the Postal Service's money to transfer approximately \$240,300 from one account (#700106847) to another (#700106855) in Air Atlantic's name at SunTrust Bank, thereby establishing a \$600,000 balance in the second account.

13. On or about January 29, 2001, defendant DALMA S. EDWARDS opened a new bank account (#701433884) in his own name at SunTrust Bank and deposited approximately \$10,000 of the Postal Service's money into this account.

14. On or about January 31, 2001, defendant DALMA S. EDWARDS used the Postal Service's money to buy a SunTrust Bank check for approximately \$500,000 payable to himself with funds in Air Atlantic's account (#700106855).

15. On or about January 31, 2001, defendant DALMA S. EDWARDS used the Postal Service's money to buy a SunTrust Bank check for approximately \$8,000 payable to himself with funds in Air Atlantic's account (#700106847).

16. On or about February 14, 2001, defendant DALMA S. EDWARDS opened a new bank account (#700107010) in Air Atlantic's name at SunTrust Bank.

17. On or about February 22, 2001, defendant DALMA S. EDWARDS used the Postal Service's money to withdraw approximately \$2,000 from Air Atlantic's account (#700106847) at SunTrust Bank.

18. On or about February 23, 2001, defendant DALMA S. EDWARDS spoke by telephone with a Postal Service investigator and falsely indicated that he did not want to keep any money that did not rightfully belong to him and that he was currently on travel in the Middle East, when he then well knew such statements to be false.

19. On or about March 6, 2001, defendant DALMA S. EDWARDS spoke by telephone with a Postal Service investigator and falsely indicated that he had verified, after speaking with his accounting personnel, that the Postal Service's money had in fact been deposited into Air Atlantic's accounts, and further falsely indicated that he would resolve the situation on March 12, 2001 and would call with details concerning repayment, when he then well knew such statements to be false.

20. On or about March 12, 2001, defendant DALMA S. EDWARDS deposited the \$500,000 bank check (noted in paragraph 14 above) into his new personal account (#701433884 noted in paragraph 13 above) at SunTrust Bank.

21. On or about March 12, 2001, defendant DALMA S. EDWARDS, for the purpose of executing the aforesaid scheme and artifice, did transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce, certain writings, signs, signals, and sounds, that is, a wire transfer of approximately

\$250,000 from his personal SunTrust Bank account into a bank account at the National Bank of New Zealand.

(In violation of Title 18, United States Code, Sections 1343 and 2).

COUNT THREE

THE GRAND JURY FURTHER CHARGES THAT:

1. From in or about January 2001 through in or about May 2001, the exact dates being unknown, in the Eastern District of Virginia and elsewhere, defendant DALMA S. EDWARDS, a/k/a "Mike Edwards," did knowingly devise and intend to devise a scheme and artifice to defraud and to obtain money and property from the Postal Service by means of false and fraudulent material pretenses, representations, and promises, which scheme and artifice operated in substance as follows:

THE DEFENDANT'S SCHEME AND ARTIFICE

2. Paragraphs 2 - 8 of count two are hereby realleged and incorporated herein by reference, as if fully set forth herein.

ACTS IN EXECUTION OF THE SCHEME AND ARTIFICE

3. Paragraphs 9 - 20 of count two are hereby realleged and incorporated herein by reference, as if fully set forth herein.

4. On or about March 12, 2001, defendant DALMA S. EDWARDS, for the purpose of executing the aforesaid scheme and artifice, did transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce, certain writings, signs, signals, and sounds, that is, a wire transfer of approximately \$220,000 from his personal SunTrust Bank account into a bank account at the National Bank of New Zealand.

(In violation of Title 18, United States Code, Sections 1343 and 2).

COUNT FOUR

THE GRAND JURY FURTHER CHARGES THAT:

On or about March 12, 2001, in the Eastern District of Virginia and elsewhere, defendant DALMA S. EDWARDS, a/k/a "Mike Edwards," did knowingly transmit and transfer and cause the transmission and transfer of monetary instruments and funds, that is, approximately \$250,000, from Virginia, a place in the United States, to New Zealand, a place outside the United States, knowing that the monetary instruments and funds involved in the transmission and transfer represented the proceeds of some form of unlawful activity and knowing that such transmission and transfer was designed in whole or in part to conceal and to disguise the nature, the location, the source, the ownership, and the control of the proceeds of specified unlawful activity, namely, the theft of government property in violation of Title 18, United States Code, Section 641.

(In violation of Title 18, United States Code, Sections 1956(a)(2)(B)(i) and 2).

COUNT FIVE

THE GRAND JURY FURTHER CHARGES THAT:

On or about March 12, 2001, in the Eastern District of Virginia and elsewhere, defendant DALMA S. EDWARDS, a/k/a "Mike Edwards," did knowingly transmit and transfer and cause the transmission and transfer of monetary instruments and funds, that is, approximately \$220,000, from Virginia, a place in the United States, to New Zealand, a place outside the United States, knowing that the monetary instruments and funds involved in the transmission and transfer represented the proceeds of some form of unlawful activity and knowing that such transmission and transfer was designed in whole or in part to conceal and to disguise the nature, the location, the source, the ownership, and the control of the proceeds of specified unlawful activity, namely, the theft of government property in violation of Title 18, United States Code, Section 641.

(In violation of Title 18, United States Code, Sections 1956(a)(2)(B)(i) and 2).

COUNT SIX

THE GRAND JURY FURTHER CHARGES THAT:

On or about February 23, 2001, in the Eastern District of Virginia and elsewhere, defendant DALMA S. EDWARDS, a/k/a "Mike Edwards," in a matter within the jurisdiction of the United States Postal Service, an agency of the executive branch of the United States Government, did knowingly and willfully make one or more false, fraudulent, and fictitious material statements and representations during a telephone conversation with a law enforcement agent about the \$679,700 mistakenly paid by the Postal Service to Air Atlantic; namely, that he did not want any money that did not rightfully belong to him and that he was currently on travel status in the Middle East, when he then well knew such statements and representations to be untrue because the defendant was then in the Eastern District of Virginia and was continuing to spend the Postal Service's money.

(In violation of Title 18, United States Code, Section 1001(a)(2)).

FORFEITURE

A. The defendant, DALMA S. EDWARDS, if convicted of one or more of the violations in Counts One, Two, and Three of this indictment, shall forfeit to the United States:

1. Any property, real or personal, which constitutes or is derived from proceeds traceable to any offense constituting a specified unlawful activity.
(All in violation of 18 U.S.C. § 982, 28 U.S.C. § 2461(c), and 18 U.S.C. § 981(a)(1)(C), incorporating 18 U.S.C. § 1956(c)(7)(A) and (D) and 18 U.S.C. § 1961(1)).

B. The defendant, DALMA S. EDWARDS, if convicted of one or more of the violations in Counts Four and Five of this indictment, shall forfeit to the United States:

1. Any property, real or personal, involved in such offense, or
2. Any property traceable to such property, in whole or in part, involved in such offense.
(All in violation of 18 U.S.C. § 982(a)(1)).

C. The property and proceeds subject to forfeiture under paragraphs A and B, includes, but is not limited to, the following:

1. The sum of approximately \$ 679,700.00 in United States Currency and all interest and proceeds, acquired, obtained, and traceable thereto, which sum is the aggregate amount involved in the aforementioned offenses or proceeds traceable to such property.

D. If any property that is subject to forfeiture above, as a result of any act or omission of the defendant:

1. cannot be located upon the exercise of due diligence;
2. has been transferred to, sold to, or deposited with a third person;
3. has been placed beyond the jurisdiction of this Court;
4. has been substantially diminished in value; or
5. has been commingled with other property such that it cannot be subdivided without difficulty; then,

It is the intent of the United States to seek forfeiture of the other property of the defendant, up to the value of any property described above.

(All in violation of 18 U.S.C. § 982(b)(1), incorporating the provisions of 21 U.S.C. § 853(p)).

A TRUE BILL:

FOREPERSON

Kenneth E. Melson
United States Attorney

By:

Robert J. Krask
Assistant United States Attorney
8000 World Trade Center
101 W. Main Street
Norfolk, Virginia 23510
(757) 441-6331